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SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

Investors

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _____, 1994, by and between _____ Life Insurance Company, an _____ Iowa corporation, and/or its related entities or subsidiaries (hereinafter the "Lender") and Pacific Linen, Inc., a Washington corporation (hereinafter the "Tenant").

of America

WHEREAS, Lender has made a loan or is about to make a loan to University Square Associates LTD, a Utah limited partnership (hereinafter called the "Landlord") secured by a mortgage or deed of trust (hereinafter called the "Mortgage") covering a parcel of land described on Exhibit "A" annexed hereto and made a part hereof, together with the improvements now or hereafter erected thereon (said parcel of land and improvements thereon being hereafter called the "Real Property"); and

WHEREAS, by a certain Commercial and Industrial Lease heretofore entered into between Landlord and Tenant dated as of April 30, 1991 (said lease and all amendments, extensions and renewals thereto are hereinafter called the "Lease"), Landlord leased to Tenant all or a portion of the Real Property; and

WHEREAS, as a condition precedent to Lender's disbursement of loan proceeds, Lender has required that Tenant certify and confirm certain matters about the Lease and subordinate the Lease and its interest in the Real Property in all respects to the lien of the Mortgage; and

WHEREAS, it will be of substantial benefit to Tenant for Lender to disburse the loan proceeds; and

WHEREAS, Lender is disbursing the loan proceeds in reliance upon the agreements contained in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, the parties agree as follows:

1. Subordination. The Lease, the leasehold estate created thereby, and the rights of Tenant in, to or under the Lease and the Real Property, are hereby subjected and subordinated and shall remain in all respects and for all purposes subject, subordinate and junior to the lien of the Mortgage, as fully and with the same effect as if the Mortgage had been duly executed, acknowledged and recorded, and the indebtedness secured thereby had been fully disbursed, prior to the execution of the Lease or possession of any portion of the Real Property by Tenant, or its predecessors in interest.

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2. Reliance by Lender. The parties are executing this instrument in order to induce Lender to disburse the indebtedness secured by the Mortgage, and the parties further agree that the disbursement by Lender of all or any part of the indebtedness shall

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constitute conclusive reliance by Lender upon this instrument and the provisions hereof and the subordination effected hereby.

3. Tenant Not to Be Disturbed. So long as Tenant attorns to Lender and is not in default (beyond any period given Tenant to cure such default) in the payment of rent or additional rent or in the performance of any of the terms, covenants, or conditions of the Lease on Tenant's part to be performed, Tenant's rights under the Lease including but not limited to quiet enjoyment and possession of the Real Property, shall not be diminished or interfered with by Lender.

4. Tenant to Attorn to Lender. If the interests of Landlord shall be transferred to and owned by Lender by reason of foreclosure or other proceedings brought by it in lieu of or pursuant to a foreclosure, or by any other manner, and Lender succeeds to the interest of the Landlord under the Lease, Tenant shall be bound to Lender under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if Lender were the landlord under the Lease; and Tenant shall attorn to Lender, as its landlord, said attornment to be effective and self-operative immediately upon Lender succeeding to the interest of Landlord without the execution of any further instruments on the part of any of the parties hereto. Except in the event of default by Landlord under the Mortgage and notice thereof from Lender, and without affecting Lender's security interest in rent due under the Lease, Tenant shall be under no obligation to pay rent to Lender until Tenant receives written notice from Lender that it has succeeded to the interest of Landlord under the Lease. The respective rights and obligations of Tenant and Lender upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as now set forth therein, it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length herein.

5. Lender Not Bound by Certain Acts of Landlord. If Lender shall succeed to the interest of Landlord under the Lease, Lender shall not (a) be liable for any act or omission of any landlord (including Landlord) occurring prior to Lender's succession; (b) be subject to any offsets or defenses which Tenant might have against any landlord (including Landlord) arising prior to Lender's succession; ~~(c) be bound by any security deposits or by any rent or additional rent which Tenant might have paid for more than the then current installment unless said sums have been actually transferred to Lender or its successors or assigns; nor (d) be bound by any amendment or modification of the Lease or any release from~~

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~~liability of any party liable for the obligations of Tenant under the Lease made without Lender's consent.~~

6. Purchase Options. Any option or rights contained in said Lease to acquire title to all or any portion of the Real Property are hereby made subject and subordinate to the rights of Lender under the Mortgage and any acquisition of title to all or any portion of the Real Property made by Tenant during the term of the Mortgage shall be made subordinate and subject to the Mortgage.

7. Notice and Cure of Landlord's Default. No notice by Tenant to Landlord under the Lease will be binding on Lender unless a copy thereof is sent to Lender. Tenant agrees to send Lender a copy of any notice relating to a breach or default under the Lease at the same time any such notice is sent to Landlord. Tenant agrees that if any such notice relates to the breach or default by Landlord under the Lease, then Lender, at its sole option and without obligation so to do, may cure any such default, within a reasonable period, but in no event less than any period of time as would be available to Landlord, but measured from the date that Tenant delivers a copy of such notice to Lender. Tenant additionally agrees to promptly give notice to Lender of any damage to or destruction of the Real Property by fire or other casualty requiring reconstruction of improvements.

8. No Modification. No modification, amendment, or release of any provision of this Agreement, or of any right, obligation, claim, or cause of action arising hereunder shall be valid or binding for any purpose whatsoever unless in writing and executed by the party against whom the same is sought to be asserted.

9. Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be effective for all purposes if hand delivered to the party designated below, or if sent by (a) certified or registered United States mail, postage prepaid, or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, addressed in either case as follows:

To Tenant:

Pacific Linen, Inc.
22105 23rd Dr. SE, Suite 200
Bothell WA, 98021

Investors

To Lender:

Life Insurance Company of America
c/o AEGON USA Realty Advisors, Inc.
4333 Edgewood Road, N.E.
Cedar Rapids, Iowa 52499
Attn: Mortgage Department

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or to such other address and person as shall be designated from time to time by either party in a written notice to the other in the manner provided for in this paragraph. The notice shall be deemed to have been given at the time of delivery if hand delivered or, in the case of registered or certified mail, three (3) business days after deposit in the United States mail, or if by expedited prepaid delivery, upon first attempted delivery on a business day.

10. Landlord's Consent. Landlord is joining herein solely for the purpose of consenting to the terms and conditions of this Agreement and agreeing that Tenant may rely upon any and all notices from Lender relating to the rights of Lender hereunder and under the Mortgage.

11. Successors and Assigns. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon the parties hereto and their heirs, administrators, representatives, successors and assigns, including without limitation each and every holder of the landlord's or the tenant's interest in the Lease, including purchasers at a foreclosure sale and any other person having an interest therein, and shall inure to the benefit of Lender and its successors and assigns.

12. Choice of Law. This Agreement is made and executed under and in all respects is to be governed and construed by the laws of the state in which the Real Property is located.

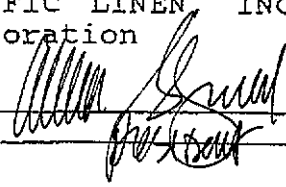
13. Captions and Headings. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

14. Counterparts. This Agreement may be executed in any number of counterparts for the convenience of the parties, when taken together and after execution by all parties hereto, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed in triplicate as of the date first above written.

TENANT:

PACIFIC LINEN, INC., a Washington corporation

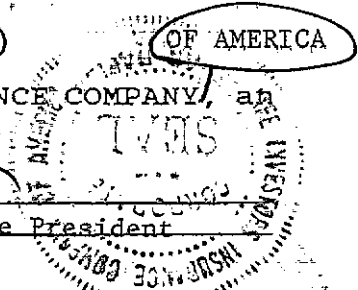
X By: 
Its: _____

LENDER:

INVESTORS OF AMERICA

LIFE INSURANCE COMPANY, an
Iowa corporation

By: [Signature]
Its: David M. Zachar, Vice President



The foregoing Agreement is hereby consented and agreed to by the undersigned as set forth in Paragraph 10 hereof.

LANDLORD:

UNIVERSITY SQUARE ASSOCIATES LTD, a Utah limited partnership, by its general partner, UNIVERSITY SQUARE ASSOCIATES, INC., a Utah corporation

[Signature]
By J. Rees Jensen, President

STATE OF Washington)
County of King) : ss.

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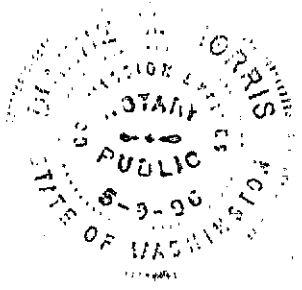
The foregoing instrument was acknowledged before me this 2nd day of May, 1994, by William E. Shepard, the President of Pacific Linen, Inc., a Washington corporation.

(Seal)

[Signature]

My commission expires:
5-9-96

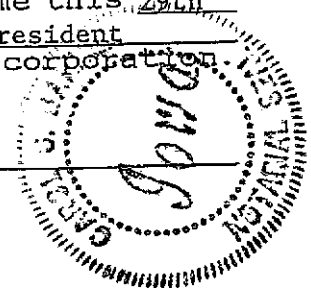
Residing at:
2114 186th Pl. SE.
Bothell, Wa. 98012



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STATE OF IOWA)
County of LINN) : ss.

The foregoing instrument was acknowledged before me this 29th day of May, 1994, by David M. Zachar, the Vice President of Life Insurance Company, an Iowa corporation, Investors of America



Carol S. Barner
Carol S. Barner

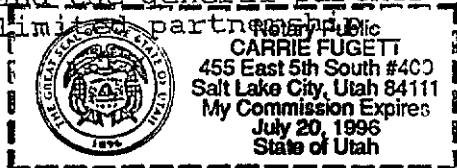
(Seal)

My commission expires:
10/6/94

Residing at:
Cedar Rapids, Iowa

STATE OF UTAH)
COUNTY OF Salt Lake) : ss.

The foregoing instrument was acknowledged before me this 30th day of May, 1994, by J. Rees Jensen in his capacity as the president of University Square Associates, Inc., a Utah corporation and the general partner of University Square Associates LTD, a Utah limited partnership.



Carrie Fugett
NOTARY PUBLIC
Residing at: Salt Lake Co. Ut

(Seal)
My Commission Expires:
7/20/96

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Exhibit "A"

The real property referred to in this instrument is situated in Utah County, State of Utah, and is described as follows:

Parcel 1:

Lots 2, 4 and 5, University Square, Plat "A", a Subdivision according to the official plat thereof on file and of record in the office of the Utah County Recorder.

Parcel 2:

Lot 1, University Square, Plat C, according to the official plat thereof on file and of record in the office of the Utah County Recorder.